

UNITED STATES INTERNATIONAL TRADE COMMISSION  
Washington, DC 20436

**MEMORANDUM ON PROPOSED TARIFF LEGISLATION  
of the 110<sup>th</sup> Congress<sup>1</sup>**

[Date approved: March 20, 2008]<sup>2</sup>

**Bill No. and sponsor:** H.R. 4346 (Mr. Tim Murphy of Pennsylvania).

**Proponent name,<sup>3</sup> location:** LANXESS Corporation, Pittsburgh, PA.

**Other bills on product (110<sup>th</sup> Congress only):** None.

**Nature of bill:** Extension of temporary duty suspension through December 31, 2011.

**Retroactive effect:** None.

**Suggested article description(s) for enactment (including appropriate HTS subheading(s)):**

Thionyl chloride (CAS No. 7719-09-7) (provided for in subheading 2812.10.50).

**Check one:**     Same as that in bill as introduced.  
                   Different from that in bill as introduced (see Technical comments section).

**Product information, including uses/applications and source(s) of imports:**

Thionyl chloride is used to manufacture agricultural pesticides and pharmaceutical intermediates. The chemical is also used in the chemical industry as a mild chlorinating agent. A specialized use of thionyl chloride is to make protease inhibitors for HIV treatment. It is imported from Switzerland and Germany.

**Estimated effect on customs revenue:**

| HTS subheading: <u>2812.10.50</u>               |             |             |             |             |             |
|---|-------------|-------------|-------------|-------------|-------------|
|   | 2009        | 2010        | 2011        | 2012        | 2013        |
| <del>Col. 1-General rate of duty (AVE) 1/</del> |             |             |             |             |             |
| Col. 1-General rate of duty (AVE) 1/            | 3.7%        | 3.7%        | 3.7%        | 3.7%        | 3.7%        |
| Estimated value <i>dutiable</i> imports         | \$1,500,000 | \$1,500,000 | \$1,500,000 | \$1,784,000 | \$1,784,000 |
| Customs revenue loss 2/                         | \$0         | \$55,500    | \$55,500    | \$66,008    | \$66,008    |

1/ There is an existing duty suspension under HTS heading 9902.28.01 that expires on December 31, 2009. Therefore, there will be no customs revenue loss related to this bill for 2009. Source of estimated dutiable import data: U.S. industry estimates.

**Contacts with domestic firms/organizations (including the proponent):**

<sup>1</sup> Industry analyst preparing report: Jack Greenblatt (202-205-3353); Tariff Affairs contact: David Michels (202-205-3440).

<sup>2</sup> Access to an electronic copy of this memorandum is available at [http://www.usitc.gov/tata/hts/other/rel\\_doc/bill\\_reports/](http://www.usitc.gov/tata/hts/other/rel_doc/bill_reports/).

<sup>3</sup> The sponsor/proponent did not identify any additional beneficiaries of this bill.

Contacts with agrochemical companies.

| Name of firm/organization  | Date contacted | Claim US makes same or competing product(s)? | Submission attached? | Opposition noted? |
|--|----------------|--|----------------------|-------------------|
|  |                | (Yes/No)                                     |                      |                   |
| LANXESS Corporation (Proponent)<br>Laura Pearson, 202-872-8181   | 1/10/2008      | No   | No                   | No                |
| Arkema<br>Charles Kitchen, Fax: 215-419-7075   | 2/01/2008      | No   | No                   | No                |
| BASF Corp.<br>Greg Thies, 202-904-2332   | 2/01/2008      | No   | No                   | No                |
| Bayer Corporate Services<br>Karen Niedermeyer, 412-777-2058  | 2/01/2008      | No   | No                   | No                |
| Bayer CropScience<br>Will Hensley, 202-756-3781<br>Jean Reimers, 202-756-3779  | 2/01/2008      | No   | No                   | No                |
| Chemtura Corp.<br>Matt Mattingley, 202-463-8498  | 2/01/2008      | No   | No                   | No                |
| CropLife America<br>Isi Siddiqui, Fax: 202-463-0474<br>Lawrence Norton, Fax: 202-463-0474  | 2/01/2008      | No   | No                   | No                |
| Dow AgroSciences<br>Lisa Schroeter, Fax: 202-429-3467<br>Margaret Rogers, Fax: 202-429-3467<br>Max Turnipseed, Fax: 225-383-0590 | 2/01/2008      | No   | No                   | No                |
| Dupont<br>Elaine Olsen, 302-992-2263<br>Helen McMahon, Fax: 302-355-2994   | 2/01/2008      | No   | No                   | No                |
| Emerald Performance Chemicals<br>Tim Dirmyer, Fax: 330-315-6480  | 2/01/2008      | No   | No                   | No                |
| FMC Corp.<br>Jerry Prout, 202-956-5219   | 2/01/2008      | No   | No                   | No                |
| Monsanto Corp.<br>Michael Parrish, Fax: 202-789-1867   | 2/01/2008      | No   | No                   | No                |
| Nufarm Ltd.<br>Joel Junker, Fax: 206-621-8220  | 2/01/2008      | No   | No                   | No                |

| Name of firm/organization   | Date contacted | Claim US makes same or competing product(s)? | Submission attached? | Opposition noted? |
|---|----------------|--|----------------------|-------------------|
|   |                | (Yes/No)                                     |                      |                   |
| Syngenta Crop Protection<br>Angus Kelly, Fax: 336-632-6084<br>Mike Blythe, Fax: 336-632-6084<br>Dawn Stump, Fax: 202-347-7772 | 2/01/2008      | No   | No                   | No                |
| Valent BioSciences Corp.<br>Robin Demouth, 925-256-2758<br>Jed D'Ercole, 202-835-0740   | 2/01/2008      | No   | No                   | No                |
| Valent USA<br>Robin Demouth, 925-256-2758   | 2/01/2008      | No   | No                   | No                |

Contacts with pharmaceutical intermediate chemical companies.

| Name of firm/organization   | Date contacted | Claim US makes same or competing product(s)? | Submission attached? | Opposition noted? |
|---|----------------|--|----------------------|-------------------|
|   |                | (Yes/No)                                     |                      |                   |
| Abbott Laboratories<br>Claude Burcky, Fax: 202-783-6631                                   | 2/01/2008      | No   | No                   | No                |
| Bayer Corp.<br>Karen Niedermeyer, 412-777-2058<br>Julie Van Egmund, Fax: 202-737-8909     | 2/01/2008      | No   | No                   | No                |
| Bristol Myers Squibb<br>David Warr, 202-783-0900  | 2/01/2008      | No   | No                   | No                |
| Clariant Corporation<br>Andrew Zamoyski, Fax: 202-248-9043<br>William Lyons, 202-326-0290 | 2/01/2008      | No   | No                   | No                |
| Dupont<br>Elaine Olsen, 302-992-2263<br>Helen McMahon, Fax: 302-355-2994                  | 2/01/2008      | No   | No                   | No                |
| Eli Lilly<br>Kathryn Karol, 202-393-7950  | 2/01/2008      | No   | No                   | No                |
| Gilead Sciences<br>Cheryl Myriad, Fax: 650-522-5853                                       | 2/01/2008      | No   | No                   | No                |

| Name of firm/organization   | Date contacted | Claim US makes same or competing product(s)? | Submission attached? | Opposition noted? |
|---|----------------|--|----------------------|-------------------|
|   |                | (Yes/No)                                     |                      |                   |
| GlaxoSmithKline<br>William Schuyler, 202-715-1000<br>Sara Froelich, Fax: 202-715-1001 | 2/01/2008      | No   | No                   | No                |
| Interferon Sciences, Inc.<br>Samuel Ronel, Fax: 732-249-6895                          | 2/01/2008      | No   | No                   | No                |
| Lonza, Inc.<br>Ray Esposito, 201-316-9200   | 2/01/2008      | No   | No                   | No                |
| Lubrizol<br>Gregory Perun, Fax: 832-260-7340  | 2/01/2008      | No   | No                   | No                |
| Merck & Co.<br>Thomas Bombelles, 202-638-4170   | 2/01/2008      | No   | No                   | No                |
| Monsanto<br>Michael Parrish, 202-383-2849   | 2/01/2008      | No   | No                   | No                |
| Niche Pharmaceuticals<br>Steve Brandon, Fax: 817-491-3533                             | 2/01/2008      | No   | No                   | No                |
| Novartis<br>Tracy Haller, Fax: 202-628-4763   | 2/01/2008      | No   | No                   | No                |
| Pfizer<br>Katherine Bennett, Fax: 202-347-2044  | 2/01/2008      | No   | No                   | No                |
| Procter & Gamble<br>Jim McCarthy, Fax: 202-393-4606                                   | 2/01/2008      | No   | No                   | No                |
| Schering-Plough<br>Rob Lively, 202-463-7372   | 2/01/2008      | No   | No                   | No                |
| Watson<br>Sarah Sweet, Fax: 951-270-1429  | 2/01/2008      | No   | No                   | No                |

**Technical comments:**<sup>4</sup>

None.

<sup>4</sup> The Commission may express an opinion on the HTS classification of a product to facilitate consideration of the bill. However, by law, only the U.S. Customs Service is authorized to issue a binding ruling on this matter. The Commission believes that the U.S. Customs Service should be consulted prior to enactment of the bill.

110TH CONGRESS  
1ST SESSION

# H. R. 4346

To extend the suspension of duty on Thionyl chloride.

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## IN THE HOUSE OF REPRESENTATIVES

DECEMBER 11, 2007

Mr. TIM MURPHY of Pennsylvania introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To extend the suspension of duty on Thionyl chloride.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. THIONYL CHLORIDE.**

4       (a) IN GENERAL.—Heading 9902.28.01 of the Har-  
5       monized Tariff Schedule of the United States (relating to  
6       Thionyl chloride) is amended by striking the date in the  
7       effective period column and inserting “12/31/2011”.

8       (b) EFFECTIVE DATE.—The amendment made by  
9       subsection (a) applies with respect to goods entered, or  
10      withdrawn from warehouse for consumption, on or after  
11      the 15th day after the date of the enactment of this Act.